



DEMOCRATIC
POLICY
COMMITTEE

A
CLOSER LOOK
AT THE GOP
CLAIMS OF THE
ACCOMPLISHMENTS
OF THE
GOP 106TH
CONGRESS

SPECIAL REPORT

House Democratic Policy Committee
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A CLOSER LOOK AT THE GOP CLAIMS OF THE ACCOMPLISHMENTS OF THE GOP 106TH CONGRESS

This Democratic Policy Committee special report takes a closer look at six claims of the accomplishments of the 106th Congress that have been made by the House GOP Conference.

GOP CLAIM #1: The GOP Congress has “locked away the entire Social Security and Medicare surpluses.” (House Republican Conference)

THE FACTS: The GOP Congress has FAILED to send the President a bill creating ironclad Social Security and Medicare lockboxes and moving Medicare off-budget.

The Republican Congress has wasted the last two years without sending the President any Social Security and Medicare “lockbox” legislation, despite several promises to do so. It is only through legislation creating ironclad lockboxes that Social Security and Medicare can truly be protected. The Republican Congress has spent a lot of rhetoric claiming that they were fully protecting Social Security and Medicare but have failed to act. On June 20, 2000, the House passed a Republican version of Social Security and Medicare lockboxes (H.R. 3859). However, the Senate has never acted on this bill. Furthermore, the Republicans failed to create ironclad lockboxes – instead creating lockboxes with gaping “trap-doors.”

- **GOP Version of A Social Security Lockbox Leaves A Gaping “Trap-Door”**

Over the last two years, Democrats have been calling for locking away 100% of the Social Security surplus in an ironclad Social Security lockbox, with no trap-doors, to ensure that the Social Security surplus is used only for debt reduction and Social Security.

Instead, House Republicans have promoted only flawed Social Security lockbox legislation. First, the Social Security lockbox passed by House Republicans on June 20, 2000 (as part of H.R. 3859) offered little more protection for funds in the Social Security Trust Fund than current budget law. Secondly, the GOP Social Security lockbox passed by the House on June 20 has a “trap-door” – i.e., under the GOP bill, the Social Security surplus can be used for various Social Security “reforms,” including partial privatization, thereby weakening current Social Security guarantees. Indeed, a study done by four distinguished economists (Henry Aaron, Alan Blinder, Alicia Munnell, and Peter Orzag) of the Social Security partial privatization plan put forward by GOP presidential nominee George W. Bush found that an average earner who is 30 in 2002 could see their Social Security benefits cut by 54% under the Bush privatization plan when they retired in 2037.

- **GOP Version of A Medicare Lockbox Leaves A Gaping “Trap-Door” and Republicans Fail to Move Medicare Off-Budget**

In the area of Medicare, Democrats have been calling for 1) locking away 100% of the Medicare surplus in an ironclad Medicare lockbox, with no trapdoors, to ensure that the Medicare surplus is used only for debt reduction and Medicare; and 2) moving the Medicare Trust Fund off-budget for the very first time – putting it in the same protected status as the Social Security Trust Fund.

Instead, House Republicans have promoted legislation that accomplishes neither of these objectives. First, like the GOP Social Security lockbox, the GOP Medicare lockbox passed by House Republicans on June 20, 2000 (as part of H.R. 3859) has a “trap-door” – i.e., under the GOP bill, the Medicare surplus can be used for various Medicare “reforms,” including taking steps to privatize the Medicare program, thereby weakening current Medicare guarantees. Indeed, the House GOP prescription drug plan passed on June 28, 2000 represents a first step in privatizing Medicare – forcing seniors to deal with HMOs and private insurance companies to get their prescription drug coverage.

Secondly, the GOP Medicare lockbox legislation passed by the House on June 20 does not provide for removing Medicare completely off-budget. The historic step of moving the Medicare Trust Fund off-budget for the first time – as advocated by Democrats – would provide Medicare the same specially-protected status that the Social Security Trust Fund already has. This step, along with the Medicare lockbox, would be a further guarantee that Congress would not be able to use the Medicare surplus for any purpose other than debt reduction and Medicare.

GOP CLAIM #2: The GOP Congress has “provided tax relief for working Americans.” (House Republican Conference)

THE FACTS: The GOP Congress has FAILED to deliver tax relief for working Americans – by sending the President versions of marriage penalty relief and estate tax relief targeted to the wealthiest American households that they KNEW he would veto.

The GOP House and Senate Republican Leadership have spent the last two years claiming that their top priority for this Congress was getting tax relief for American families. And yet, instead of delivering tax relief to working families as Democrats had advanced, the Republicans decided to play politics instead – passing tax cuts that they knew the President would veto because the tax cuts went predominantly to the very wealthy and took resources away from Social Security, Medicare, and education.

For example, this year, President Clinton made clear that he was prepared to sign marriage penalty relief that was targeted to middle-income families and estate tax relief that was

targeted to family farms and small businesses. And yet, instead of working with the Administration to develop bipartisan legislation, the Republican Congress sent him skewed versions of these bills, as described below.

- **The GOP Congress Sent the President Marriage Penalty Relief Targeted to the Wealthiest Households – Guaranteeing the Promised Veto**

Early in 2000, the House GOP leadership decided that, on the issue of marriage penalty relief, they wanted an election-year press release – and not an accomplishment for American families. That is why they wrote a so-called “marriage penalty relief” bill that was targeted to upper-income couples and **which actually provided half of its tax relief to couples not paying any marriage penalty!!!** By contrast, President Clinton made clear that he would sign a real marriage penalty relief bill – a bill where all of the tax relief was focused on eliminating the marriage penalty for working families.

The GOP marriage penalty bill was not only targeted to the wealthy, it was also fiscally irresponsible. The cost of the GOP marriage penalty relief bill grew from \$182 billion over ten years in the House-passed version to **\$292.5 billion** over ten years in the conference report sent to the President. About two-thirds of the tax relief in the conference report would have benefitted the top 30% of married couples.

The GOP Congress could have sat down with President Clinton and negotiated a fiscally-responsible marriage penalty relief bill that would have provided real marriage penalty relief to working families – but instead they forced a vote on a veto override attempt that they knew they would lose because wanted an election-year issue.

Indeed, in the four weeks since the veto override vote, there has been more than enough time to pass and enact a bill to give relief to those who truly suffer from the marriage penalty and yet the GOP leadership has done nothing.

- **The GOP Congress Sent the President Estate Tax Relief Targeted to the Wealthiest Households – Guaranteeing the Promised Veto**

Similarly, on the issue of estate tax relief, early in 2000, the House GOP leadership decided that they wanted an election-year press release – and not an accomplishment for American families. That is why they wrote their bill in such a way that **fully one-half of the tax relief in the bill goes to only 3,000 of America’s wealthiest families !!!** Instead, President Clinton made clear that he would sign an estate tax relief bill that was targeted to providing relief for family farmers and small business owners.

The GOP estate tax relief bill was also enormously fiscally-irresponsible. Its true costs were disguised by calling for a slow phase-in. As a result, the cost of the bill exploded from \$105 billion over the first ten years to **\$750 billion** over the second ten years. The long-term costs of this GOP bill were so enormous, were this bill to be signed into law, the efforts to pay off the national debt, protect Social Security, and add a prescription drug benefit to Medicare would be severely compromised.

Once again, the GOP Congress could have sat down with President Clinton and negotiated a fiscally-responsible estate tax relief bill that would have provided real estate tax relief to those who need it today – but instead they squandered the opportunity and went through the time-consuming exercise of sending to the President a bill he had promised to veto and then attempting to override the veto even when they knew they would lose.

GOP CLAIM #3: “Republicans in Congress have been leading the way in retiring the public debt and have paid off \$351 billion in debt over the last three years.” (House Republican Conference)

THE FACTS: It is Democrats not Republicans who have made debt reduction the number-one priority and President Clinton has only been able to pay off \$351 billion in debt over the last three years because he VETOED the 1995 and 1999 GOP fiscally-irresponsible tax cuts!!

For Republicans suddenly to claim that debt reduction has been a number-one priority for them is to place their two-year record on its head – as the record is clear that Republicans have put massive tax cuts ahead of paying down the debt over the last two years. It is Democrats who have been unified around a long-term budget plan that would pay off the national debt completely by the year 2012 – calling for maintaining the fiscal discipline that has been achieved over the past eight years. In sharp contrast, representing the GOP perspective, GOP presidential nominee George W. Bush recently told CNN that, in the Bush budget, debt reduction would come after tax cuts and there was no timetable for paying off the debt. A comparison of the two-year record of the two parties on debt reduction is below.

Democrats, Not Republicans, Have Made Debt Reduction A Number-One Priority

- **Democrats Have Been Promoting Debt Reduction Throughout the 106th Congress – Not Simply in Its Last Three Weeks!** For example, at the beginning of the 106th Congress, President Clinton laid out the choices presented by the Democratic and GOP budget plans as follows: “There is fundamentally a very simple choice: Will our first priority be spending the budget surpluses we have worked so hard to create on a massive tax cut, or will our first priority be investing the surplus to strengthen Social Security and Medicare and pay down the national debt?” Indeed, throughout the last two years, Democrats have been unified in calling for using the hard-won surplus to strengthen Social Security and Medicare and pay down the national debt.
- **The Democratic Budget Resolution in 1999 Had More Debt Reduction than the GOP Budget Resolution.** On March 25, 1999, Democrats offered a Democratic budget resolution substitute on the House Floor. The Democratic budget called for

\$146 billion more in debt reduction over 10 years than the GOP resolution. And yet the Republicans voted down the Democratic budget plan (Vote #76, 3/25/99).

- **The Democratic Budget Resolution in 2000 Had More Debt Reduction than the GOP Budget Resolution.** Similarly, on March 23, 2000, Democrats offered a Democratic budget resolution substitute on the House Floor. The Democratic budget called for devoting \$365 billion of the non-Social Security surplus to debt reduction over ten years – whereas the five-year GOP budget called for devoting only \$12 billion of the non-Social Security surplus to debt reduction over five years. And yet the Republicans voted down the Democratic budget plan (Vote #74, 3/23/00).

President Clinton Has Been Able to Pay Off \$351 Billion in Debt Because He Vetoed the 1995 and 1999 GOP Tax Cut Bills

- **The Clinton-Gore Administration Has Been Able to Pay Off \$351 Billion in Debt Over the Last Three Years Only Because Clinton Vetoed the 1995 and 1999 GOP Tax Cuts.** Democrats have a record on debt reduction. The Democratic Clinton-Gore Administration has paid off \$351 billion of the national debt over the last three years because it has rejected irresponsible GOP tax cuts. Specifically, as soon as the GOP took power in 1995, they were attempting to enact fiscally-irresponsible tax cuts of \$353 billion over seven years – the “Crown Jewel” of the Contract with America – tax cuts that reversed fiscal discipline and whose costs grew exponentially outside the budget window. Fortunately, President Clinton vetoed these GOP tax cuts on December 6, 1995. Then, again, in 1999, the GOP Congress was pushing fiscally-irresponsible tax cuts of \$792 billion over ten years – tax cuts that also would have reversed fiscal discipline and whose costs grew exponentially outside the budget window. Fortunately, once again, President Clinton vetoed these GOP tax cuts on September 23, 1999. In short, President Clinton has placed a priority on fiscal discipline – and as a result, the Clinton-Gore Administration has been able to pay off \$351 billion of the national debt over the last three years.

GOP CLAIM #4: The GOP Congress has succeeded in “investing more in education.” (House Republican Conference)

THE FACTS: Education funding has increased over the last six years ONLY due to the efforts of the Clinton Administration and Congressional Democrats!! The GOP Congress has actually tried to enact the largest education cuts in this nation’s history.

It is truly mind-boggling that the GOP leadership would claim as one of their key accomplishments “investing more in education” – since they have spent the last six years making every effort to cut federal support for public education in the name of their political message that education’s place is with the states!!

When the GOP gained control of Congress in January 1995, they immediately set to work to enact their “revolutionary” agenda – an agenda that included dramatic cutbacks in federal

support for education. This agenda included such steps as: 1) abolishing the Education Department; and 2) voting for the largest education cuts in this nation's history.

First, the GOP Congress spent much of 1995 and 1996 attempting to eliminate the Education Department. On May 18, 1995, 230 House Republicans voted to eliminate the Education Department in voting for the FY 1996 GOP Budget Resolution, which explicitly called for eliminating the Education Department. In June 1995, a bill to eliminate the Education Department (H.R. 1883) was introduced and was cosponsored by more than half of House Republicans, including current Speaker Dennis Hastert, Majority Leader Dick Armey, and Majority Whip Tom DeLay. Despite their lack of success in the 104th Congress, the desire to eliminate the Education Department among the GOP ranks continues. As Rep. Scott Klug candidly admitted on national television in March 1997, **"I think most Republicans still want to get Washington out of education and frankly eliminate the Department of Education."**

Secondly, Republicans have spent the last six years voting for cuts in education funding. Republicans have often claimed over the last several years that the only cuts in education funding they have advocated have been cuts below the President's budget – and that they have not advocated cuts below the prior-year's level. However, the record shows that this GOP claim is not correct. Below are four key examples of Republicans attempting to cut education spending below the prior-year's level:

- **GOP Voted to Rescind FY 1995 Education Spending** – Immediately upon becoming the majority, on March 16, 1995, in voting to pass the FY 1995 Rescissions bill, 221 House Republicans voted to rescind \$1.7 billion in FY 1995 education spending. While the budget of the Education Department totaled only 1.6% of federal expenditures in FY 1995, it contributed 14% to the spending reductions in the House Republican rescissions package.
- **GOP Voted to Cut FY 1996 Education Spending Below FY 1995 Level** – On August 4, 1995, in voting to pass the FY 1996 Labor-HHS-Education Appropriations bill, 213 House Republicans voted to make the largest education cuts in this nation's history, cutting education by \$4.2 billion (17 percent) below the prior-year level – including a 17% cut in Title I aid to local schools, a 57% cut in the Safe and Drug-Free School Program, elimination of the Goals 2000 School Reform program, and a \$137 million cut in Head Start.
- **GOP Voted to Cut FY 1997 Education Spending Below FY 1996 Level** – On July 12, 1996, in voting to pass the FY 1997 Labor-HHS-Education Appropriations bill, 209 House Republicans voted to cut education funding by \$54 million below the prior-year level - as well as \$2.8 billion below the President's request.
- **GOP Proposed Cutting FY 2000 Education Spending Below FY 1999 Level** – On September 30, 1999, the Republicans on the House Appropriations Committee reported out a Labor-HHS-Education Appropriations bill that would have cut education funding by nearly \$200 million below the prior-year level – as well as \$1.4 billion below

the President's request. Ultimately, Republicans never brought this bill to the Floor and instead negotiated an education funding bill with the Administration.

Although, House Republicans proposed education funding for FY 2001 that was somewhat above the FY 2000 level, in an era of rapidly-rising school enrollments, overcrowded classrooms, and crumbling schools, the House GOP education budget fails to address several critical education challenges that the President's education budget attempts to address. Indeed, the House GOP bill, passed by House Republicans on June 14, 2000, cuts the President's education priorities **by \$3.5 billion**, including the following:

- No guaranteed funding is provided for continuing the Class Size Reduction Initiative to place 100,000 new, highly-qualified teachers in our schools;
- No funding is provided for President Clinton's school renovation proposal, which would help pay for urgently-needed safety and health repairs;
- No funding is provided for elementary school counselors;
- \$1 billion is cut from the President's request for targeted investments to improve teacher quality and recruit new teachers; and
- \$400 million (or 40%) is cut from the President's request for after-school programs, thereby funding 3,100 fewer after-school centers and serving 1.6 million fewer children than requested.

GOP CLAIM #5: Two key accomplishments of House Republicans have been passage of two ESEA Reauthorization bills – the Teacher Empowerment Act and the Straight A's Act. (House Republican Conference)

THE FACTS: This GOP Congress is the first Congress to allow the authorization of the Elementary and Secondary Education Act (ESEA) to expire in the 35-year history of the ESEA!!!

"Whatever is done on education this year will help define the legacy of the 106th Congress, and no lawmaker wants it to be remembered as the first one that could not reauthorize the ESEA."

CQ Weekly, 4/29/00

Just as mind-boggling as Republicans claiming credit for increasing education funding is Republicans claiming as accomplishments their ESEA Reauthorization bills – such as the Teacher Empowerment Act and the Straight A's Act – **thereby drawing attention to the issue that this is the first Congress in the 35-year history of the Elementary and Secondary Education Act (ESEA) that has allowed the ESEA to expire!!!**

As the CQ Weekly quote above suggests, it is clear that the failure to enact the ESEA Reauthorization is an enormous black eye for the GOP 106th Congress.

In previous Congresses, the issue of reauthorizing the ESEA has generally been conducted

on a bipartisan basis. However, this year, the GOP 106th Congress approached reauthorizing ESEA in **a highly partisan manner** – with the end result that the ESEA Reauthorization was never completed.

On the House side, Republicans broke the ESEA Reauthorization into six separate bills this Congress and then failed to get any of these bills to the President's desk for his signature. The three most important of these six ESEA Reauthorization bills have been the following:

- **Teacher Empowerment Act (H.R. 1995)** – On July 20, 1999, by a mostly party-line vote of 239 to 185, the House passed and sent to the Senate the Teacher Empowerment Act. The Senate did not act on the bill. The Clinton Administration stated that the bill as passed by the House would have been vetoed by the President.
- **Straight A's Act (H.R. 2300)** – On October 21, 1999, by a mostly party-line vote of 213 to 208, the House passed and sent to the Senate the Straight A's Act. The Senate also did not act on this bill. The Clinton Administration stated that the bill as passed by the House would have been vetoed by the President.
- **OPTIONS Act (H.R. 4141)** – On April 13, 2000, on a mostly party-line vote of 25 to 21, the House Education and the Workforce Committee reported out the OPTIONS bill, perhaps the most encompassing of the ESEA Reauthorization bills. **And yet the House GOP leadership never brought the OPTIONS bill to the House Floor!!** Secretary of Education Riley stated that he would have recommended a veto on this bill as well if it had reached the President's desk.

On the Senate side, Republicans did not break the ESEA Reauthorization into smaller bills and brought a broad ESEA Reauthorization bill (S. 2) to the Floor in early May. However, Sen. Lott took the bill off the Floor on May 9 and never allowed it to be brought back up.

Following is a brief overview of these highly partisan, controversial GOP ESEA Reauthorization bills.

In passing their ESEA Reauthorization bills in the 106th Congress, Republicans have been promoting education block grants -- which undermine the federal support for education and eliminate accountability in ensuring that federal funds are targeted to improve the quality of public education for all of our school children.

The three key ESEA Reauthorization bills on the House side – Teacher Empowerment, Straight A's, and OPTIONS – are all block grant bills. On July 20, 1999, House Republicans passed H.R. 1995, the so-called “Teacher Empowerment Act,” a bill gutting the bipartisan commitment to hire 100,000 new well-qualified teachers over the next seven years by placing in a single block grant funding for three different programs: class size reduction, teacher training, and Goals 2000 School Reform. Hence, the GOP bill would have abandoned the commitment to reduce class sizes, despite overwhelming research that shows that students attending smaller classes raise student achievement because of improved classroom discipline, and the fact that teachers can better ensure that children are receiving the personal attention they need.

Then, on October 21, 1999, Republicans passed a second key part of the ESEA Reauthorization—H.R. 2300, the so-called “Straight A’s” bill, which should be called the “Anti-Accountability Act.” Unfortunately, this GOP proposal is a back-door block grant that transforms more than three-quarters of federal education programs (including Title I, class size reduction, and safe and drug-free schools) into general aid to the states. There is no real assurance that school districts and states obtain results in their efforts to provide a high-quality education. Instead, Straight A’s represents an irresponsible blank check to the states. At the last minute, in order to obtain the votes to pass the bill, GOP leaders had to modify the bill – providing that the bill’s block grant provisions would only operate in a 10-state pilot program, rather than nationwide as under the original GOP bill.

This year, Republicans continue on the bandwagon of block grants and reduced accountability. On April 13, 2000, House Republicans on the Education and the Workforce Committee approved H.R. 4141, the OPTIONS bill, as their final measure reauthorizing the Elementary and Secondary Education Act. This partisan measure, opposed by all the major education groups, in essence, allows the block granting of most elementary and secondary education programs (the so-called “transferability” provisions) – thus allowing for the gutting of programs that strengthen teacher quality, reduce class size, increase access to technology, and ensure that schools are safe and drug-free. On top of that, Republicans eliminate the current after-school program by block granting the 21st Century Community Learning Centers Program with the Safe and Drug-Free Schools program.

Here is what some of the education groups said about the OPTIONS bill (H.R. 4141):

- **National Education Association:** *“On behalf of the National Education Association’s 2.5 million members, we would like to express our strong opposition to H.R. 4141, the OPTIONS bill. NEA has concerns regarding a number of provisions that we believe will undermine positive reform efforts. Specifically, the bill: undermines the setting of national education priorities and weakens accountability for federal funds by allowing the transfer of funds among programs; and eliminates essential after-school programs by folding the 21st Century Community Learning Centers program into the Safe and Drug-Free Schools program.”*
- **Council of Chief State School Officers:** *“We must oppose H.R. 4141 and can support it only with substantial changes in such provisions as ‘transferability’ provisions’ that would allow federal ESEA funds targeted for particular national education priorities and special needs students to be spent for other purposes.”*
- **The Education Trust:** *“We urge you to reject H.R. 4141. The legislation’s ‘transferability’ provisions are anti-accountability and run counter to efforts to provide teachers with the professional development that they need to help their students meet high academic standards.”*

The Senate Republicans followed the same block grant path. In May of this year, Senate Republicans brought to the Senate Floor another highly partisan piece of legislation – S. 2, the Senate GOP version of ESEA Reauthorization. The Senate GOP bill adopted a block

grant approach – encompassing approaches included in the House Republicans’ Teacher Empowerment, Straight A’s, and OPTIONS bills. These Senate GOP block grants would have also undermined accountability for education results, and failed to focus federal resources on proven effective strategies for helping all children achieve high standards.

So ultimately the story was the same in the House and the Senate. By writing highly controversial, partisan ESEA Reauthorization bills, Senate Republicans were unable to complete consideration of their ESEA Reauthorization bill and House Republicans were unable to bring their most encompassing ESEA Reauthorization bill to the Floor at all!!

GOP CLAIM #6: House Republicans have passed a “voluntary, affordable Medicare prescription drug benefit available to all seniors.”

(House Republican Conference)

THE FACTS: House Republicans did NOT pass a voluntary, affordable Medicare prescription drug benefit available to all seniors – instead simply passing a “fig-leaf” bill that would subsidize private health insurance companies to offer seniors “drug-only” policies – something private insurance companies have said they won’t do!!

House Republicans have shamelessly used pollster-tested rhetoric to COMPLETELY misrepresent what the House GOP prescription drug bill passed in June would offer American seniors!! Using words written word-for-word by GOP pollster Glen Bolger, this is how Speaker Hastert described the House GOP bill: “We [are taking] action to strengthen Medicare and provide prescription coverage for ALL seniors and disabled Americans so nobody gets left behind. We give ALL seniors the right to choose an affordable prescription drug benefit.” As will be seen below, this is NOT an accurate description of the GOP bill. House Republicans spent all of 1999 and the early part of 2000 **BLOCKING** any prescription drug legislation whatsoever. **Then, this spring, Republican pollsters warned that the failure of House Republicans to act on a prescription drug plan was endangering GOP control of the House in the fall elections!!** For example, GOP pollster Glen Bolger, a partner at Public Opinion Strategies, Inc., told House Republicans that Republicans had a very difficult political problem on prescription drugs that made **“passing a [prescription drug] bill a political imperative.”** Bolger pointed out that 73% of Americans said that “helping elderly Americans get access to prescription drugs” was one of the most “important/very important issues” in deciding how they might vote. The warning of Republican pollsters got the attention of the House GOP leadership and a pollster-driven, “fig-leaf” prescription drug plan was quickly written and brought to the House Floor on June 28.

The vast majority of Americans agree with Democrats that the best way to provide affordable prescription drug coverage for all seniors is through adding a benefit to the Medicare program. However, despite their rhetoric, this is NOT what the House Republican prescription drug plan brought to the House Floor on June 28 did. First, the House GOP plan does NOT add a prescription drug benefit to the Medicare program. Republicans didn’t want to add a

drug benefit to Medicare because they don't like the Medicare program. For example, former Speaker Newt Gingrich once said that Medicare would "wither on the vine because we think that people are voluntarily going to leave it." In 1995, Majority Leader Dick Armey called Medicare "a program I would have no part of in a free world." So, instead of adding a prescription drug benefit to Medicare, the GOP plan subsidizes private insurance companies to offer "drug-only" policies to seniors.

Secondly, despite their rhetoric, the GOP bill does not assure ALL seniors access to affordable prescription drug coverage. The only seniors, under the House GOP bill, who receive any assistance in making their prescription drugs affordable are low-income seniors. The GOP bill fails to provide any direct premium assistance to middle-income seniors. The GOP bill subsidizes private insurance companies, but does nothing to assure that those premium subsidies will be passed on to middle-income seniors. As the National Committee to Preserve Social Security and Medicare has pointed out, "The House bill's reliance on private insurance instead of Medicare gives seniors...no guarantee that the insurance companies will offer prescription drug policies...at affordable prices."

The particularly ironic thing about the House Republicans' decision to subsidize private insurance companies to offer "drug-only" policies to seniors is that private insurance companies have said they won't do it! For example, Charles Kahn, head of the Health Insurance Association of America, said, ***"I don't know of an insurance company that would offer a drug-only policy like that or even consider it."***

Finally, not only has the private insurance industry said the House GOP plan won't work, the following seniors' and consumers' organizations point out that Speaker Hastert's claim that the House GOP plan provides ALL seniors access to affordable prescription drug coverage is simply FALSE.

- **National Committee to Preserve Social Security and Medicare:** *"The most effective and affordable approach, and the one which the large majority of Americans support, is to cover prescription drug costs for all seniors through the Medicare program. The House bill's reliance on private insurance instead of Medicare gives seniors no standard, dependable drug coverage and no guarantee that the insurance companies will offer prescription drug policies in all areas of the nation at affordable prices."*
- **National Council of Senior Citizens:** *"The Republican bill is a fraud and a callous and partisan attempt to create the illusion of sensitivity to a desperate need of millions. It is based on private market plans in the face of massive withdrawals from Medicare coverage by the health insurance industry...The GOP bill also would do nothing to mitigate the price gouging by the pharmaceutical companies."*
- **Families USA:** *"The GOP bill fails to provide any real relief for seniors struggling to afford their prescriptions. This plan relies on the insurance industry to provide policies they don't want to sell and consumers can't afford to buy. It's impossible to tell what consumers will get or whether it will even be available. This is a false promise for Medicare beneficiaries."*

- **Older Women's League (OWL):** *"OWL was disappointed to see that the Republican prescription drug plan does not represent a defined benefit under Medicare but rather a private insurance option...We are concerned that the Medigap-type policies being proposed, with insurers getting a subsidy to lower premiums, will not be affordable for most seniors."*